



Office of Insurance Management

Idaho Department of Administration

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Rising Health Care Costs Impact Idaho

Did you know that nationwide, health care premiums rose 14% in 2002 and are projected to increase 15% for 2003? Experts predict health benefit costs will *double* in five years because:

- The overall cost of health care services is rising.
- People are using more prescription drugs than ever before.
- As the population gets older, more people need health care services.

These national trends are evident in the State's health care expenditures as well. In fact, you might be surprised to learn that for **FY 2001**, the total medical plan costs for active State of Idaho employees totaled more than \$74 million. That's *in addition* to your coinsurance and deductibles.

The charts to the right show how this money was spent. Just a few people accounted for a large percentage of the State's overall health care costs. In fact, 362 of the 43,000 people covered under the two active employee health care plan modules incurred claims of \$25,000 or more. In other words, less than one percent of the people covered by the plan accounted for 40 percent of the total plan costs.

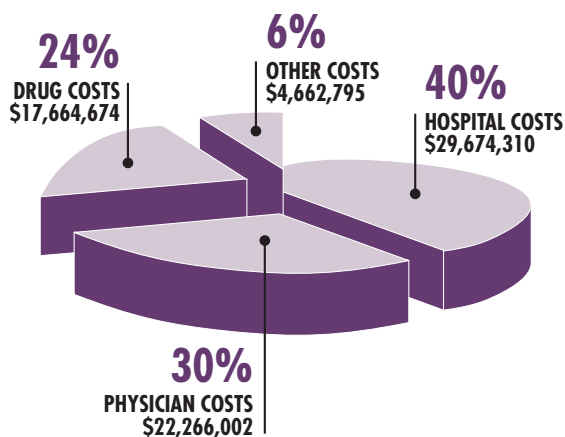
By understanding the true cost of your health care, you can use your health benefits wisely—to promote your own good health *and* to help manage your health plan costs.

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Distribution of Active Plan Costs

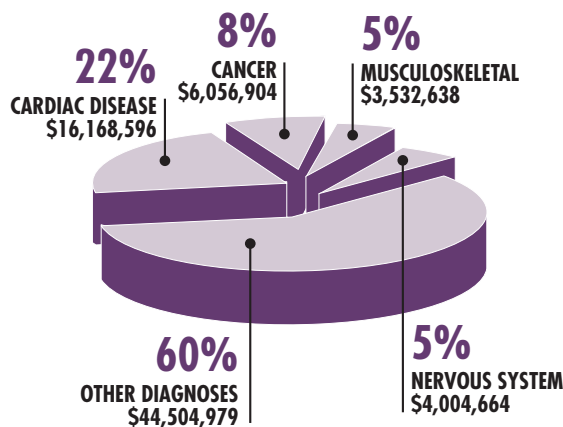
FY2001

TOTAL ACTIVE PLAN COST: \$74,267,781



Major Diagnoses on Active Plan

FY2001



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Four major health conditions accounted for 40% of the claims in FY2001:

- **Heart** (*Cardiac*) Disease
 - Heart disease costs an average of \$93,000 per claim.
 - With 168 claims, treatment for heart disease made up the highest number of these claims.
- **Cancer** (*including chemotherapy and radiation therapy*)
 - There were 58 claims for cancer, costing about \$104,000 per claim.
 - On an 'average cost per claim' basis, cancer is the most expensive diagnosis.
- **Nervous System Disorders** (*includes strokes and Parkinson's disease*)
 - There were 44 claims in this category, with an average cost per claim of \$91,000.
- **Musculoskeletal Disorders** (*i.e., treatment of back and spine conditions*)
 - Treatment for musculoskeletal disorders had the second highest number of total claims.
 - The average cost per claim was the lowest of the four categories, with 74 claims averaging \$47,700 each.

Rising Hospitalization Costs

A significant percentage of rising health care costs is due to an increase in the cost of hospital services. You can see this trend in the State's high claims costs for hospitalization charges, which account for 40% of total costs (see charts).

Hospital costs are rising primarily due to two factors: the use of expensive new technology and consolidation among hospitals. Employers and health plan providers are taking action to counter the affect of these rising costs by helping employees use their health plans wisely. They are:

- Informing employees about the true cost of health care—beyond the deductible and coinsurance amounts.
- Encouraging employees to develop and follow a continual maintenance plan and lead healthy lives.
- Introducing disease management programs, in which claims data identifies medical conditions that can be effectively managed.

By focusing on hospital spending, we can help to reduce overall costs—and keep health care accessible and affordable for everyone.

Be Prepared for Medical Emergencies

It's a smart idea to become familiar with the different types of emergency medical services now—before you're faced with a stressful emergency. By choosing the most appropriate type of service, you'll get the most appropriate type of care and you will save yourself time and money.

TYPE OF EMERGENCY MEDICAL SERVICE	USE THIS SERVICE WHEN...	DO NOT USE THIS SERVICE WHEN...	REMEMBER...
911	...someone has symptoms of a heart attack, if there is severe bleeding, if someone is unconscious or is having difficulty breathing, or if you suspect a spinal or neck injury.	...the person is conscious, breathing easily and in stable condition.	Ambulance services are expensive. If the situation is not an emergency, the costs may not be covered.
Hospital Emergency Room	...someone has a life-threatening condition for which medical services are needed immediately, such as an eye injury, poisoning, a serious wound, etc. If possible, call ahead to allow hospital staff to prepare for your arrival.	...you need care for relatively routine illnesses such as the flu or an ear infection.	The cost of receiving care in the ER could be three to four times higher than seeing a physician in a clinic or office. Plus, you could wait several hours before receiving care, since patients are prioritized according to the nature of their need. Unless it is a true emergency, call your personal physician first.
Urgent Care Center	...there's a non-life threatening problem that calls for immediate attention (such as a serious cut or a broken limb).	...you need care for relatively routine illnesses such as the flu or an ear infection.	These centers provide a cost-effective option to emergency rooms. Appointments are not necessary, and service is fast and efficient. Cost of care is often less than an emergency room visit, and these centers are often open 'round the clock.

WHY CHOOSE A PRIMARY CARE PHYSICIAN...

When You Don't Have To?

If you are covered under the Regence BlueShield plan (Module 1 or 2), you can see any provider you want. However, there are many good reasons to choose a primary care physician to manage your care.

When you work with a primary care physician, you establish a beneficial partnership between yourself and one physician who focuses on your overall health. This physician helps make certain that your care is appropriate and effective.

A primary care physician will:

- Oversee your routine health care needs, schedule tests and monitor results.
- Help to improve your quality of life by working with you to develop a good-health plan that fits your lifestyle and choice of providers and strategies.
- Provide continual maintenance for your ongoing health issues, answering your questions and helping you to navigate through the latest treatment procedures.
- Recommend specialty care when needed and help find the best specialist for your particular situation.
- Provide disease management for chronic conditions such as diabetes, asthma, heart disease and depression.
- Help to prevent catastrophic medical events through ongoing, thorough health care.
- Be prepared for an emergency by knowing your entire health history and current care plan.

In other words, a primary care physician can help you achieve your best health. At the same time, improving your health will positively impact the overall health plan, helping to lower costs for everyone.

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Selecting a Primary Care Doctor

It is usually best to select a primary care doctor who can take care of most of your routine medical concerns and refer you to a specialist, if necessary. Look for someone who is certified in family practice, general practice, internal medicine, or pediatrics (for children).

Because some family practitioners, general practitioners and internists do not provide routine gynecologic or obstetric care, it may be necessary to select a gynecologist/obstetrician for women's health concerns.

Ask your friends and family, or other health professionals you may know, for their recommendations. After you have identified a few potential doctors, call their offices and ask some questions. Tell the receptionist you want to find a doctor for your ongoing care and are wondering if the doctor is accepting new patients. If the answer is yes, ask if you can get some additional information.

Questions you might want to ask include:

- Is the doctor board certified in your state? If so, in what specialty?
- Does he or she have practice privileges at an accredited hospital? (If the answer is yes, this indicates that the doctor's credentials have been screened by the hospital and tells you which facility would be used if you were hospitalized.)
- Is the doctor a Participating Provider with your health plan?
- Where is the doctor's office located and what are the office hours?
- If you call about an urgent medical problem, will you be seen the same day? What is the average waiting time for a non-emergency appointment?

Your 24/7 Health Care Resource CareWise Online

All Regence BlueShield of Idaho members now have access to CareWise Online. This online health care information service is designed to help you become more informed, knowledgeable and confident about your health care options. Visitors to the CareWise Online Web site have access to:

- Health information reviewed by independent medical experts.
- Online searches for health information in a variety of ways (using "virtual patient" pictures, for example).
- A database of prescription and over-the-counter drugs, which contains descriptions, dosage information, contraindications, drug interaction information and patient education information.
- Featured stories and daily news updates on health topics.
- *MDX Health Digest*, an up-to-date database of abstracts summarizing health articles from more than 200 popular and professional magazines and journals

CareWise Online offers State of Idaho employees quality medical information 24 hours a day, seven days a week. The site is available to all members as a link from Regence BlueShield of Idaho's home page. Simply log on to the Web site at www.id.regence.com, click on "Doctor & Health Info" and choose "Medical information." Then scroll down and click on "CareWise Online."

When Dependents Are No Longer Benefit Eligible

If you have dependents who are no longer benefit eligible, they must be removed from coverage. The following situations require you to change your benefit elections:

- You get divorced.
- Your dependent child reaches age 19 and is no longer a tax dependent.
- Your tax dependent reaches age 23 (the maximum benefit-eligible age).
- Your dependent child gets married.
- Your spouse or dependent child dies.

Report changes in your family's status to your Human Resources office within 31 days of the qualifying event.

This publication presents general benefit information. In the event of any conflict between the information in this publication and the Plan provisions, the Plan documents and insurance contracts will govern.

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